

TRANSMITTAL # 3

MEMORANDUM

March 26, 2002

TO: Workforce Development Council

FROM: Roger B. Madsen, Director

SUBJECT: Procurement Issues under WIA

ACTION REQUESTED: Approval of proposed revisions to procurement policies for purchase of goods and services under the Workforce Investment Act

BACKGROUND:

The following WIA procurement policy was recommended for approval by the Council in 1999, and has been in effect since that time:

In addition to the requirements established in the Uniform Administrative Requirements applicable to the organizations purchasing goods and services under WIA, found in OMB Circulars A102, A110, and WIA regulations, the following will apply:

1. The "simplified acquisition threshold", over which formal bidding is required for all types of purchases with WIA funds, will be \$25,000 for all entities utilizing WIA funds.
2. When small purchase procedures are used by an entity purchasing WIA goods and services over \$1,500, price or rate quotations shall be obtained from an adequate number of qualified sources.
3. Procurement records for purchases of WIA goods and services over \$1,500 shall include, at a minimum:
 - a. the rationale for the method of procurement (including justification for any noncompetitive practices) and contract type;
 - b. basis for contractor selection; and,
 - c. basis for contract price.

4. All negotiated contracts awarded by recipients and subrecipients shall provide that the funding organization, USDOL, the U.S. Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the program for purpose of making audits, examinations, excerpts, and transcriptions.
5. Procurement by noncompetitive methods may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one or more of the following circumstances applies:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The awarding agency authorizes noncompetitive proposals; or
 - d. After solicitation of a number of sources, competition is determined inadequate.

The thresholds identified in #1, #2, and #3 above were established to mirror procedures utilized by the Idaho Department of Administration. Since that time, the Department of Administration has raised these levels to \$50,000 and \$5,000, respectively. That is, formal bidding is not required for purchases of training and professional services until the purchase exceeds \$50,000 and the requirement to obtain and document price or rate quotations does not begin until purchases exceed \$5,000.

Staff recommend that WIA state policy regarding procurement of goods and services with WIA funds be revised accordingly. Local workforce investment areas would then have the option to adjust their local procurement policies to reflect these new limits, should they choose to do so.

The revised policy would read as follows:

In addition to the requirements established in the Uniform Administrative Requirements applicable to the organizations purchasing goods and services under WIA, found in OMB Circulars A102, A110, and WIA regulations, the following will apply:

1. The “simplified acquisition threshold”, over which formal bidding is required for all types of purchases with WIA funds, will be ~~\$25,000~~ \$50,000 for all entities utilizing WIA funds.
2. When small purchase procedures are used by an entity purchasing WIA goods and services over ~~\$1,500~~ \$5,000, price or rate quotations shall be obtained from an adequate number of qualified sources in accordance with local policy.
3. Procurement records for purchases of WIA goods and services over ~~\$1,500~~ \$5,000 shall include, at a minimum:

- a. the rationale for the method of procurement (including justification for any noncompetitive practices) and contract type;
 - b. basis for contractor selection; and,
 - c. basis for contract price.
- 4. All negotiated contracts awarded by recipients and subrecipients shall provide that the funding organization, USDOL, the U.S. Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the program for purpose of making audits, examinations, excerpts, and transcriptions.
- 5. Procurement by noncompetitive methods may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one or more of the following circumstances applies:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The awarding agency authorizes noncompetitive proposals; or
 - d. After solicitation of a number of sources, competition is determined inadequate.

Recommendation: The Council adopt the revised policy, subject to any needed reviews by the Idaho State Division of Purchasing.

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